



*United States Attorney  
Southern District of New York*

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**FORMER MANHATTAN INVESTMENT ADVISORY FIRM EXECUTIVE  
SENTENCED TO 41 MONTHS ON FEDERAL EXTORTION CHARGES**

JAMES B. COMEY, the United States Attorney for the Southern District of New York, announced that JEFFREY N. ZISSELMAN, the former Chief Operating Officer of Manhattan-based investment advisory firm Eberhard Investment Associates ("EIA"), and a former lawyer, was sentenced by United States District Court Judge HAROLD BAER, Jr. today in Manhattan federal court to 41 months in prison, and ordered to pay \$750,000 in restitution, for participating in a \$1.5 million extortion scheme.

According to the two-count criminal Information and statements made by ZISSELMAN during his guilty plea on May 27, 2003, ZISSELMAN participated in a scheme to extort Todd M. Eberhard, the Chief Executive Officer of EIA, by threatening to (a) report to law enforcement that Eberhard was engaged in fraudulent and illegal conduct with respect to EIA's clients; and (b) report to Eberhard's wife that Eberhard was having intimate relationships with women other than his wife.

The Information alleged, among other things, that co-conspirator Brian Mercier reviewed Eberhard's e-mails and then delivered to him a bound copy of some of these e-mails entitled "My True Life" divided into sections, including one labeled with the name of the woman with whom Eberhard was having the intimate relationship. In addition, Eberhard was handed a list of the names of many of Eberhard's clients who had been defrauded, it was charged.

According to the Information and statements made by ZISSELMAN during his guilty plea, Eberhard paid ZISSELMAN approximately \$1.5 million. ZISSELMAN split the payments with Mercier. The scheme began in December 2001 and terminated when Eberhard was arrested on federal criminal charges arising from his fraud on EIA's clients on February 5, 2003.

On April 24, 2003, Mercier pled guilty to participating in the same scheme for which ZISSELMAN was sentenced today. Mercier is scheduled to be sentenced on December 12, 2003 by United States District Court Judge RICHARD C. CASEY.

On May 6, 2003, an Information was filed against Eberhard charging him with engaging in a scheme to defraud EIA's clients. According to the Information, Eberhard misappropriated funds entrusted to him by his clients through a variety of means, including by "churning" their accounts to generate millions of dollars in commissions and compensation for himself and his

firms, and by making millions of dollars' worth of unauthorized and improper withdrawals and transfers from client accounts. Eberhard is scheduled to go to trial, before United States District Court Judge ROBERT W. SWEET, on March 22, 2003.

In connection with ZISSELMAN's sentencing, he made a restitution payment of \$750,000 to a Receiver permanently appointed to oversee and control Eberhard's assets for the benefit of and for distribution to victims of Eberhard's alleged criminal activity.

In imposing sentence, Judge BAER described ZISSELMAN's conduct as "reprehensible" given ZISSELMAN's background and experience, including that ZISSELMAN held a law degree.

ZISSELMAN, 37, resides in Manhattan, New York.

Mr. COMEY praised the investigative efforts of the United States Postal Inspection Service. Mr. COMEY also thanked the United States Securities and Exchange Commission for their assistance in the case.

Assistant United States Attorneys STEVEN R. GLASER and JULIAN D. SCHREIBMAN, are in charge of the prosecution.

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